

## Message Text

LIMITED OFFICIAL USE

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11

ACTION EA-10

INFO OCT-01 ISO-00 PM-03 NSC-05 SP-02 SS-15 L-02 IO-10

EB-07 MMS-01 SIG-01 CU-02 INR-07 AID-05 AGR-05 CIAE-00

COME-00 DODE-00 OMB-01 PC-01 TRSE-00 USIA-06 LAB-04

/088 W

----- 044658

R 060735Z MAR 75

FM AMEMBASSY KUALA LUMPUR

TO SECSTATE WASHDC 9199

LIMITED OFFICIAL USE KUALA LUMPUR 1209

E.O. 11652: N/A

TAGS: PFOR MY

SUBJECT: MALAYSIA: FY-76 PARA

REF: A) KUALA LUMPUR A-007 B) STATE 44605

1. ADDITIONAL INFORMATION REQUESTED REF B EMBODIED PAGES 7 AND 8 REF A AND REMAINS ESSENTIALLY CORRECT. ON FEBRUARY 28, CENTRAL BANK GOVERNOR INFORMED EMBASSY THAT 1975 TRADE DEFICIT EXPECTED TO BE ON ORDER OF M DOLS 400-500 MILLION, THAT SERVICES ACCOUNT WILL BE IN DEFICIT (AS IS NORMAL), AND THAT RESULTANT DEFICIT ON CURRENT ACCOUNT (NOT SPECIFIED) WOULD NOT BE ENTIRELY COVERED BY CAPITAL INFLOWS, RESULTING IN BALANCE OF PAYMENTS DEFICIT.

2. NOTEWORTHY THAT PAYMENTS DEFICIT WILL BE COVERED NOT RPT NOT BY DRAWING DOWN RESERVES BUT RATHER BY BORROWING ABOUT US DOLS 200 MILLION IN FOREIGN MARKETS. SEVERAL BANKS HAVE ALREADY OFFERED TO LOAN THIS AMOUNT AT COMMERCIAL RATES.

3. AS REPORTED, 1975 INFLATION RATE EXPECTED DECLINE  
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FROM 1974 RATE. CURRENT EXPECTATION IN EPU AND CENTRAL

BANK IS FOR RATE OF 10-12 PERCENT BASED PRIMARILY ON  
SOFTENING FOOD PRICES (46.8 PERCENT WEIGHT IN CONSUMER PRICE  
INDEX) AND ALSO REDUCED DOMESTIC DEMAND AS FUNCTION OF  
SIGNIFICANT DECLINE EXPORT EARNINGS. THERE IS NO INDICA-  
TION THAT THE 1975 INFLATION RATE WILL EXCEED 1974.  
UNDERHILL

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** ANNUAL REPORTS, ECONOMIC DATA  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 06 MAR 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** RowellE0  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975KUALA01209  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D750078-0665  
**From:** KUALA LUMPUR  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1975/newtext/t19750377/aaaacrew.tel  
**Line Count:** 67  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION EA  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 75 KUALA LUMPUR A-007, 75 STATE 44605  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** RowellE0  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 22 JUL 2003  
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**Review Transfer Date:**  
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**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** MALAYSIA: FY-76 PARA  
**TAGS:** PFOR, EGEN, MY, US  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006